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December 9, 2002

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APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

RF.

Marg Tex 3 Zone, Reservoir B Marg Tex 4 Zone, Reservoir B Lower Marg Tex Zone, Reservoir B Wright Field Vermilion Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DOMINION EXPLORATION & PRODUCTION**, **INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Marg Tex 3 Zone**, **Reservoir B**, the **Marg Tex 4 Zone**, **Reservoir B**, and the **Lower Marg Tex Zone**, **Reservoir B**, in the Wright Field, Vermilion Parish, Louisiana, to-wit:

- To establish rules and regulations and create a single drilling and production unit for the exploration for and production of gas and condensate for each reservoir, such units to be designated MT3 RB SUA, MT4 RB SUA and LMT RB SUA, respectively;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units,

with each tract sharing in unit production on a surface acreage basis of participation;

- 3. To designate Dominion Exploration, & Production, Inc. as the unit operator for each of the proposed units;
- 4. To designate a unit well for each of the proposed units;
- 5. To provide that the Commissioner of Conservation should be authorized to reclassify the each of these reservoirs, by supplemental order without the necessity of a public hearing, if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
- 6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Marg Tex 3 Zone, Reservoir B, in the Wright Field is hereby defined as that gas and condensate bearing zone encountered between the depths of 17,500 feet and 17,909 feet, electrical log measurements, in the Murphy Exploration & Production Company-D. W. Guidry No. 1 Well, located in Section 5, Township 12 South, Range 1 East, Vermilion Parish, Louisiana.

The Marg Tex 4 Zone, Reservoir B, in the Wright Field is hereby defined as that gas and condensate bearing zone encountered between the depths of 17,909 feet and 18,380 feet, electrical log measurements, in the Murphy Exploration & Production Company-D. W. Guidry No. 1 Well, located in Section 5, Township 12 South, Range 1 East, Vermilion Parish, Louisiana.

The Lower Marg Tex Zone in the Wright Field was previously defined in Office of Conservation Order No. 991-F, effective January 26, 1999.

A conference to discuss the proposed application and any opposition thereto was held at 10:30 a.m. on December 4, 2002, at The Onebane Firm, 102 Versailles Blvd., Suite 600, Lafayette, Louisiana 70502, (337) 237-2660. A list of the parties who attended the pre-application conference is attached. Randall C. Songy, attorney for the applicant, opened the conference with a brief discussion of the Rules of Procedure. David Comeaux, geological consultant for the applicant, explained the applicant's proposal and the geological, engineering and other bases therefor, and answered questions. Counterplans

were presented by Bill Robbins, representing Hunt Oil Company, Jim Hardwick, representing Scott Hair, et al., Stan Warburton, representing W.J. Gayle, and David Sturlese, representing Hardee, et al. All counterplans were geographic 710 acre units, just like the applicant's proposal, but differed in the location and/or shape of the proposed units. The parties were unable to resolve their differences at the conference, though the possibility of future discussions was discussed. The conference was then adjourned.

Please note that this Application differs from the Applicant's proposal in its November 12, 2002 Pre-Application Notice (the "Notice) in that the Application proposes to create separate, but identical, units for a proposed Marg Tex 3 Zone and a proposed Marg Tex 4 Zone, whereas the Notice proposed to create one unit for the "Marg Tex Zone" which would have been inclusive of both the Marg Tex 3 Zone and the Marg Tex 4 Zone as defined in the Application. The Applicant mentioned and discussed this zone definition change as a possibility at the Pre-Application Conference, but if any party desires to have a conference to discuss this revision and requests same within ten (10) days of the date of this Application, the Applicant will schedule such a conference.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting David Comeaux, at LEON E. COMEAUX & ASSOCIATES, 305 La Rue France, Lafayette, LA., (337)233-9839.

There is attached hereto and made a part hereof a plat outlining the proposed units and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$2,265.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SOM

RCS/

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Enclosures

CC:

Mr. Richard Hudson, District Manager Office of Conservation

All Interested Owners, Interested Parties and Represented Parties





